

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines

Volume 162A

June 2003

NEW LAWS AFFECTING SCHOOL CORPORATIONS

The following is a Digest of some of the laws passed by the 2003 Regular Session of the General Assembly affecting school corporations. Please note the effective dates. Some of the laws do not pertain directly to school corporations but are included in the Digest for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. Nor is the Digest intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 20-5-2-2) (Amends Indiana Code, Title 20, Article 5, Chapter 2, Section 2).

PUBLIC LAW 1 – HOUSE ENROLLED ACT 1167. EFFECTIVE VARIOUS DATES. TECHNICAL CORRECTIONS. Provides corrections to various sections of the Indiana Code.

PUBLIC LAW 2 – SENATE ENROLLED ACT 257. EFFECTIVE JULY 1, 2003. RECODIFICATION OF TITLE 10. Recodifies various provisions in Title 10 concerning civil defense, emergency management and military matters.

PUBLIC LAW 5 - HOUSE ENROLLED ACT 1117. EFFECTIVE JULY 1, 2003. UNIFORM DISCLAIMER OF PROPERTY INTEREST ACT. Adds IC 32-17.5 concerning the Uniform Disclaimer of Property Interest Act.

PUBLIC LAW 10 - HOUSE ENROLLED ACT 1088. EFFECTIVE APRIL 14, 2003. PENSION BONDS. Amends IC 20-5-4-1.7 (3) to provide that the amount of the bonds that may be issued for the purpose described in the section may not exceed two percent (2%) of the true tax value.

Also amends item (4) to provide each year that a debt service levy is needed under this section, the school corporation shall reduce its total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under the section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

Also adds item (5) to provide a school corporation that issues bonds under the section shall establish a separate debt service fund for repayment of the bonds. Retirement/Severance Bond Debt Service Fund 25 has been established.

Amends (d) to provide bonds issued under the section must be issued before December 31, 2004.

Also adds (f) to provide bonds issued under the section are not subject to limitations contained in IC 36-1-15.

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Repeals Public Law 253-2001.

Repeals IC 20-5-4-1.7 effective December 31, 2004.

PUBLIC LAW 18 - SENATE ENROLLED ACT 63. EFFECTIVE JULY 1, 2003. CHILDCARE PROGRAMS. Amends and adds to IC 12 concerning standards of child care programs.

PUBLIC LAW 22 - SENATE ENROLLED ACT 320. EFFECTIVE JULY 1, 2003. IDENTITY THEFT. Amends IC 35-43 and adds IC 35-38-1-2.5 concerning crimes of deception.

PUBLIC LAW 28 - HOUSE ENROLLED ACT 1724. EFFECTIVE JULY 1, 2003. STATE DATA PROCESSING OVERSIGHT COMMISSION. Amends IC 4-23-16-12 to add at least three (3) representatives of local units of government to the Commission.

PUBLIC LAW 35 - HOUSE ENROLLED ACT 1078. EFFECTIVE JULY 1, 2003. PUBLIC MEETINGS. Amends IC 5-14-1.5-2 concerning agents appointed by the governing body to conduct collective bargaining does not constitute a governing body for the purposes of this chapter.

PUBLIC LAW 36 - HOUSE ENROLLED ACT 1083. EFFECTIVE JULY 1, 2003. DECEPTIVE COMMERCIAL ELECTRONIC MAIL. Adds IC 24-5-22 and IC 34-30-2-96.5 concerning electronic mail transmissions.

PUBLIC LAW 43 - HOUSE ENROLLED ACT 1397. EFFECTIVE JULY 1, 2003. PUBLIC WORKS. Amends IC 36-1-12-14 (b) to provide at the discretion of the contractor the retainage shall be held by the board or shall be placed in an escrow account with a bank, savings and loan institution, or the State as the escrow agent. Also adds the board shall not be required to pay interest on the amounts of the retainage held under the section.

Also amends IC 36-1-12-14 (f) to provide the board or escrow agent shall pay the contractor within sixty one (61) days after the date of substantial completion subject to IC 36-1-12-11 and IC 36-1-12-12. Payment by the escrow agent shall include all escrowed principal and escrowed income.

PUBLIC LAW 44 - SENATE ENROLLED ACT 28. EFFECTIVE JULY 1, 2003. GENETIC TESTING. Amends IC 31-14-6-4 concerning the possible reimbursements to political subdivisions for genetic testing.

PUBLIC LAW 47 - SENATE ENROLLED ACT 141. EFFECTIVE JULY 1, 2003. PERF DIRECT DEPOSITS. Adds IC 5-10.2-4-1.2 concerning PERF adopting a policy promoting direct deposits and providing statements of direct deposits to members.

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PUBLIC LAW 51 - SENATE ENROLLED ACT 75. EFFECTIVE JULY 1, 2003. ELECTRONIC TRANSMISSION OF REPORTS TO THE GENERAL ASSEMBLY. Adds IC 5-14-6 to provide in part that a public agency may not submit a report to the General Assembly, the Legislative Services Agency, or Legislative Council on paper. A public agency shall submit all reports in electronic formats specified by the executive director of the Legislative Services Agency.

PUBLIC LAW 60 - SENATE ENROLLED ACT 401. EFFECTIVE JULY 1, 2003. WIRELESS EMERGENCY TELEPHONE SYSTEM FUND. Amends IC 36-8-16.5 concerning investments related to the Wireless Emergency Telephone System Fund.

PUBLIC LAW 66 – SENATE ENROLLED ACT 136. EFFECTIVE JULY 1, 2003. ELECTIONS – REFERENDUMS. Amends various provisions in IC 3. Also amends IC 6-1.1-19-4.5 concerning referendums to be held not less than ninety (90) days after the question is certified.

PUBLIC LAW 72 - SENATE ENROLLED ACT 412. EFFECTIVE JULY 1, 2003. PERF AND TERF CUSTODIAL ACCOUNTS. Amends IC 5-10.3 and IC 21-6.1 concerning PERF and TERF custodial accounts. Also adds IC 28-1-2-39.

PUBLIC LAW 81 - HOUSE ENROLLED ACT 1120. EFFECTIVE JULY 1, 2003. ANNUAL PERFORMANCE REPORTS. Amends IC 20-1-21-4 to provide that not earlier than January 15 or later than January 31 of each year the governing body of a school corporation shall publish an annual performance report in accordance with IC 20-1-21-8. Also provides that the Department of Education shall make each school corporation's annual performance report available on the Internet. The governing body of a school corporation shall provide a copy of the annual performance report to any person who requests a copy. The governing body may not charge a fee for providing the copy.

Amends IC 20-1-21-7 to provide the report must contain information listed in IC 20-1-21-9. Also adds additional information required in the report and amends IC 20-1-21-8 and 9 concerning contents.

Section 6 provides notwithstanding IC 20-1-21-4, the governing body of a school corporation is not required to publish an annual performance report in 2003. However, the annual performance report of a school corporation published in January 2004 must include the information that would have been included in the report published in 2003 if IC 20-1-21-4 had not been amended.

PUBLIC LAW 85 - HOUSE ENROLLED ACT 1425. EFFECTIVE JULY 1, 2003. BAD CHECKS. Amends IC 35-43-5-5 (e) to provide a defense under subsection (a) if a person who: (1) has an account with a credit institution but does not have sufficient funds in that account; and (2) issues or delivers a check, a draft, or an order for payment on that credit institution; pays the payee or holder the amount due, together with protest fees and any service fee or charge, which may not exceed the greater of twenty-seven dollars and fifty cents (\$27.50) or five percent (5%) (but not more than two hundred fifty dollars (\$250)) of the amount due, that may be charged by the payee or holder, within ten (10) days after the date of mailing by the payee or holder of notice to the person that the check, draft, or order has not been paid by the credit institution.

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PUBLIC LAW 86 - HOUSE ENROLLED ACT 1465. EFFECTIVE JULY 1, 2003. HEALTH INSURANCE. Amends IC 5-10-8-2.2 (l) to provide for various exceptions in IC 36-8 concerning surviving spouses or dependants' eligibility for group health insurance.

Amends and adds to various chapters in sections of IC 36-8 to provide the unit of local government that employed the deceased member shall after December 31, 2003, offer to provide and pay for health insurance coverage for the member's surviving spouse and for each natural child, stepchild, or adopted child of the member: (1) until the child becomes eighteen (18) years of age; (2) until the child becomes twenty-three (23) years of age if the child is enrolled in and regularly attending a secondary school or is a full-time student at an accredited college or university; or (3) during the entire period of the child's physical or mental disability; whichever period is longest. If health insurance coverage is offered by the unit to active members, the health insurance provided to a surviving spouse and child under this subsection must be equal in coverage to that offered to active members. The offer to provide and pay for health insurance coverage shall remain open for as long as there is a surviving spouse or as long as a natural child, stepchild, or adopted child of the member is eligible for coverage under subdivision (1), (2), or (3).

PUBLIC LAW 92 – HOUSE ENROLLED ACT 1902. EFFECTIVE JULY 1, 2003. RIVERBOAT DISTRIBUTIONS. Amends IC 4-33 concerning riverboat distributions.

PUBLIC LAW 104 - HOUSE ENROLLED ACT 1704. EFFECTIVE JULY 1, 2003. VISUALLY IMPAIRED PERSONS. Adds IC 12-12-9 concerning reporting requirements and reports by physicians including to school corporations concerning visually impaired persons.

PUBLIC LAW 108 - SENATE ENROLLED ACT 35. EFFECTIVE JULY 1, 2003. TORT CLAIMS AGAINST GOVERNMENTAL ENTITIES AND PUBLIC EMPLOYEES, INDIANA POLITICAL SUBDIVISION RISK MANAGEMENT COMMISSION. Amends IC 27-1-29-14 and IC 34-13-3-4 to provide the maximum amounts payable from the fund is three hundred thousand dollars (\$300,000) for a cause of action accrued before January 1, 2006; five hundred thousand dollars (\$500,000) for a cause of action accrued on or after January 1, 2006 and before January 1, 2008; or seven hundred thousand dollars (\$700,000) for a cause of action that accrues on or after January 1, 2008.

PUBLIC LAW 113 – SENATE ENROLLED ACT 365. EFFECTIVE JANUARY 1, 2003 (RETROACTIVE). NATIONAL GUARD. Adds IC 10-16-7-23 concerning rights and benefits of National Guard members ordered to active duty for at least thirty (30) consecutive days.

PUBLIC LAW 114 – SENATE ENROLLED ACT 438. EFFECTIVE JULY 1, 2003. UNDERGROUND FACILITIES. Amends various sections of IC 8-1-26 concerning charges related to underground facilities.

PUBLIC LAW 126 – HOUSE ENROLLED ACT 1523. EFFECTIVE JULY 1, 2003. PERF. Adds provisions concerning PERF investment selections.

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PUBLIC LAW 148 - SENATE ENROLLED ACT 160. EFFECTIVE JULY 1, 2003. RADIOACTIVE WASTES. Amends IC 10-14-8-9 concerning reimbursement to governmental entities concerning shipments of radioactive wastes.

PUBLIC LAW 156 – SENATE ENROLLED ACT 311. EFFECTIVE JULY 1, 2003. CRIMINAL HISTORY CHECKS. Amends IC 5-2 concerning law enforcement agency releases of criminal history information.

PUBLIC LAW 159 – HOUSE ENROLLED ACT 1469. EFFECTIVE JULY 1, 2003. USE OF ENERGY EFFICIENT TECHNOLOGY. Adds IC 36-1-12.7 to provide that the board shall examine and consider energy-efficient technology for a public works project using lifecycle analysis. To the extent technically and economically feasible, the board shall consider the use of energy-efficient technology in the plans and specifications for the public works project. The Board shall keep a record in the public works contract file of contracts with persons that provide energy efficiency technology and an analysis of the feasibility of using energy-efficient technology in public works projects.

PUBLIC LAW 161 – HOUSE ENROLLED ACT 1628. EFFECTIVE JULY 1, 2003. CRIMINAL HISTORY CHECKS. EMPLOYEE LIABILITY. Amends IC 25-2-7 concerning contracts with school corporations and criminal history checks.

Amends IC 34-13 concerning employees and punitive damages.

PUBLIC LAW 163 - SENATE ENROLLED ACT 395. EFFECTIVE JULY 1, 2003. STATE FLAG. Adds IC 1-2-3-6 concerning disposal of State Flags.

PUBLIC LAW 166 – HOUSE ENROLLED ACT 1019. EFFECTIVE JULY 1, 2003. INSURANCE COVERAGE. Adds IC 27-1-3-30; IC 27-8-24.1 and IC 27-13-7-18 in requiring certain group policies to provide coverage for medically necessary medical food for metabolic diseases.

PUBLIC LAW 170 – HOUSE ENROLLED ACT 1161. EFFECTIVE JULY 1, 2003. SALE OF LAND. Amends IC 36-1-11-5 to increase to fifteen thousand dollars (\$15,000) the amount of assessed valuation of land to be sold to abutting landowners. Also amends item (f) to increase the requirement to six thousand dollars (\$6000) concerning appraisals under the section.

PUBLIC LAW 172 – HOUSE ENROLLED ACT 1169. EFFECTIVE JULY 1, 2003. TERF. Adds IC 5-10.2-5-34.4 concerning cost of living adjustments.

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PUBLIC LAW 173 - HOUSE ENROLLED ACT 1242. EFFECTIVE VARIOUS DATES. DEPOSIT OF PUBLIC FUNDS, DEPOSITORY CONTRACTS, CASH MANAGEMENT SYSTEMS, PUBLIC RECORDS, APPROPRIATION TRANSFERS, CREDIT CARDS, RAINY DAY FUNDS.

Deposit of Public Funds. Amends IC 5-13-8-9 to add item "(f) The investing officer shall maintain the deposits as follows: (1) In one (1) or more depositories designated for the political subdivision, if the sum of the monthly average balances of all the transaction accounts for the political subdivision does not exceed one hundred thousand dollars (\$100,000). (2) In each depository designated for the political subdivision, if subdivision (1) does not apply and fewer than three (3) financial institutions are designated by the local board of finance as a depository. (3) In at least two (2) depositories designated for the political subdivision, if subdivision (1) does not apply and at least three (3) financial institutions are designated by the local board of finance as a depository."

Also amends IC 5-13-9-4 to remove similar provisions.

Cash Management Systems. Adds IC 5-13-11-2.5 to provide Sec. 2.5 (a) "A contract may be renewed under this chapter if the fiscal body of a political subdivision and the investing officer of the political subdivision agree with the depository to renew the contract under the same terms or better terms as the original contract. (b) The term of a renewed contract may not be longer than the term of the original contract. (c) A contract may be renewed any number of times."

Public Records. Amends IC 5-14-3-3 concerning public records to provide in part "Notwithstanding the other provisions of this section, a public agency is not required to create or provide copies of lists of names and addresses, unless the public agency is required to publish such lists and disseminate them to the public under a statute." Also lists types of names and addresses that may not be disclosed by public agencies to commercial entities for commercial purposes.

Also amends IC 5-14-3-4 concerning confidential records in (19) concerning " ... public disclosure of records that would have a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack."

Also provides for denial procedures.

Appropriation Transfers. Amends IC 6-1.1-18-6 concerning appropriation transfers to remove the requirement to have the transfers certified to the county auditor.

Also amends IC 6-1.1-18-7 concerning the fiscal officer appropriating insurance company refunds.

Rainy Day Funds. Amends IC 36-1-8-5 to add item (d) Transfers to a political subdivision's rainy day fund must be made after the last day of the political subdivision's fiscal year and before March 1 of the subsequent calendar year.

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Also amends IC 36-1-8-5.1 to provide (a) A political subdivision may establish a rainy day fund by the adoption of: ... (2) a resolution, in the case of any other political subdivision. (b) ... a resolution adopted under this section must specify the following: (1) The purposes of the rainy day fund. (2) The sources of funding for the rainy day fund. (c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. (d) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's annual budget for that fiscal year, adopted under IC 6-1.1-17, to the rainy day fund. (e) A political subdivision may use only the funding sources specified in the ... resolution establishing the rainy day fund unless the political subdivision adopts a subsequent ... resolution authorizing the use of another funding source. (f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

Credit Cards. Amends IC 36-1-8-11 to provide in (d) If there is a charge to the political subdivision ... for the use of a financial instrument, the political subdivision ... **may** collect a sum equal to the amount of the charge from the person who uses the financial instrument.

PUBLIC LAW 189 – HOUSE ENROLLED ACT 1558. EFFECTIVE JULY 1, 2003. UNEMPLOYMENT COMPENSATION. Amends IC 22-4 to provide (a) that separation from employment by victims of domestic violence is not a disqualification for unemployment compensation.

PUBLIC LAW 190 – HOUSE ENROLLED ACT 1573. EFFECTIVE JULY 1, 2003. PERF AND TERF BENEFICIARIES. Amends and adds to IC 5-10.2 concerning changes to procedures on designation of beneficiaries. Also provides cost of living adjustments.

PUBLIC LAW 199 - SENATE ENROLLED ACT 120. EFFECTIVE MAY 7 AND JULY 1, 2003. LIMITATIONS ON THE EMPLOYMENT OF CHILDREN. Amends IC 20-8.1-4-20.5 regarding work breaks for children. Also adds IC 20-8.1-4-25.5 concerning work hours for children under eighteen (18) years of age.

PUBLIC LAW 200 - SENATE ENROLLED ACT 169. EFFECTIVE JULY 1, 2003. NOTICE OF PUBLIC MEETINGS. Amends IC 5-14-1.5-5 (b) to provide in part public notice shall be given by the governing body of a public agency by:

- (1) posting a copy of the notice at the principal office of the public agency holding the meeting or, if no such office exists, at the building where the meeting is to be held; and
- (2) delivering notice to all news media which deliver by January 1 an annual written request for such notices for the next succeeding calendar year to the governing body of the public agency. The governing body shall give notice by one (1) of the following methods:
 - (A) Depositing the notice in the United States mail with postage prepaid.
 - (B) Transmitting the notice by electronic mail.
 - (C) Transmitting the notice by facsimile (fax).

Also amends IC 5-14-1.5-6.1 to add school bus driver.

Also amends IC 5-14-3 concerning confidentiality and personnel files.

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PUBLIC LAW 203 – SENATE ENROLLED ACT 207. EFFECTIVE JULY 1, 2003. BROWNFIELDS. Amends IC 13-11-2 concerning Brownfield definitions.

PUBLIC LAW 206 – SENATE ENROLLED ACT 230. EFFECTIVE JULY 1, 2003. SUPPLEMENTAL SERVICE TEACHER'S CONTRACT. Amends IC 20-6.1-4-8 to provide (a) As used in this section, "teacher" includes an individual who: (1) holds a substitute teacher's license; and (2) provides instruction in a joint summer school program under IC 20-10.1-7-12.5.

Adds IC 20-10.1-7-12.5 to provide (a) A school corporation may enter into an agreement with: (1) another school corporation; (2) an accredited nonpublic school; or (3) entities described in both subdivisions (1) and (2); to offer a joint summer school program for high school students under this section. (b) An agreement under this section must: (1) designate one (1) participating school corporation as the local education agency for the joint educational program; and (2) specify how the costs of the joint summer school program, including compensation for teachers, will be allocated among the parties to the agreement.

PUBLIC LAW 220 – SENATE ENROLLED ACT 475. EFFECTIVE JULY 1, 2003. INVESTMENTS. Amends IC 5-13-9-2 (a) to provide that each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

- (A) The United States Treasury.
- (B) A federal agency.
- (C) A federal instrumentality.
- (D) A federal government sponsored enterprise.

(2) Securities fully guaranteed and issued by any of the following:

- (A) A federal agency.
- (B) A federal instrumentality.
- (C) A federal government sponsored enterprise.

Repeals IC 5-13-9-2.4 concerning annual approval of the fiscal body before making investments under IC 5-13-9-2.5.

PUBLIC LAW 224 - HOUSE ENROLLED ACT 1001. EFFECTIVE VARIOUS DATES. BUDGET BILL. Adds changes relating to the school funding formula.

Transportation Fund Transfers:

Debt Service Fund

Adds IC 21-2-4-8 to provide a school corporation may transfer money to or from the debt service fund under IC 21-2-11-4(c).

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General Fund

Amends IC 21-2-11-4 (a) Any lawful school expenses payable from any other fund of the school corporation, including without limitation debt service and capital outlay, but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund. However, after June 30, 2003, and before July 1, 2005, a school corporation may budget for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund. (Transportation expenditure accounts in the 25500 series will be opened for the General Fund.)

(c) During the period beginning July 1, 2003, and ending June 30, 2005, school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from: (1) a source other than a state distribution or local property taxation; or (2) a state distribution or a property tax levy that is required to be deposited in the fund; to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5. The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following: (1) For the period beginning July 1, 2003, and ending June 30, 2004, the total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 for the same period. (2) For the period beginning July 1, 2004, and ending June 30, 2005, the product of: (A) the amount determined under subdivision (1); multiplied by (B) two (2).

Transportation Fund

Amends IC 21-2-11.5-5 (a) to provide the governing body of a school corporation may adopt a resolution to transfer after June 30, 2002, and before January 1, 2003, money that is: (1) not greater than the remainder of the amount described in IC 21-3-1.7-8.2(b).

Adds IC 21-2-11.5-6 to provide a school corporation may transfer money to or from the school transportation fund under IC 21-2-1-4(c).

(b) The governing body of a school corporation may adopt a resolution to transfer after December 31, 2002, and before July 1, 2003, money that is: (1) not greater than the remainder of the amount described in IC 21-3-1.7-8.2(b) STEP TWO (D) minus the amount transferred under IC 21-2-4-7(b) and IC 21-2-15-13.1(b); and (2) on deposit in the school corporation's: (A) transportation fund; (B) school bus replacement fund; or (C) both the transportation fund and school bus replacement fund; to the school corporation's general fund for use for any general fund purpose.

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Adds IC 21-2-11.5-6 to provide a school corporation may transfer money to or from the school transportation fund under IC 21-2-11-4(c).

Capital Projects Fund

Amends IC 21-2-15-4 (CPF) (a) to provide as used in this subsection, "calendar year distribution" means the sum of: (1) all distributions to a school corporation under: (A) IC 6-1.1-19-1.5; (B) IC 21-1-30; (C) IC 21-3-1.7; (D) IC 21-3-2.1; and (E) IC 21-3-12; for the calendar year; plus (2) plus the school corporation's excise tax revenue (as defined in IC 21-3-1.7-2) for the immediately preceding calendar year.

Adds item (l) This subsection applies during the period beginning January 1, 2004, and ending December 31, 2005. Money from the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation: (1) Utility services. (2) Property or casualty insurance. (3) Both utility services and property or casualty insurance. (Expenditure Account 25420 will be opened in the Chart of Accounts for the Capital Projects Fund for utility services. Please use the applicable objects in the 380 series. Expenditure Account 25470 will be opened in the Chart of Accounts for the Capital Projects Fund for insurance. Please use the object 324 for insurance.)

In the 2004 calendar year, a school corporation's expenditures under this subsection may not exceed one percent (1%) of the school corporation's 2003 calendar year distribution. In the 2005 calendar year, a school corporation's expenditures under this subsection may not exceed two percent (2%) of the school corporation's 2003 calendar year distribution.

(m) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution if the school corporation's 2004 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution is the least of the following: (1) One percent (1%) of the school corporation's 2003 calendar year distribution. (2) The greater of zero (0) or the difference between: (A) the sum of: (i) the school corporation's calendar year distribution; (ii) the amount determined for the school corporation under subsection (l); plus (iii) the amount determined for the school corporation under this subsection, if any; for the immediately preceding calendar year; minus (B) the school corporation's calendar year distribution for the calendar year. (3) The difference between: (A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus (B) the amount determined for the school corporation under subsection (l) for the calendar year.

(n) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution if the school corporation's 2005 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution is the least of the following: (1) Two percent (2%) of the school corporation's 2003 calendar year distribution. (2) The greater of zero (0) or the difference between: (A) the sum of: (i) the school corporation's calendar year distribution; (ii) the amount determined for the school corporation under subsection (l); plus (iii) the amount determined for the school corporation under this subsection, if any; for the immediately preceding

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calendar year; minus (B) the school corporation's calendar year distribution for the calendar year.
(3) The difference between: (A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus (B) the amount determined for the school corporation under subsection (l) for the calendar year.

Adds IC 21-2-15-12 to provide a school corporation may transfer money to or from the capital projects fund under IC 21-2-11-4 (c).

Amends various sections of IC 21-2-15 concerning procedures to amendments to the capital projects fund plans.

Amends IC 21-3 concerning count dates for average daily membership.

Amends and adds various provisions regarding grants.

Adds IC 6-3.1-19 establishing the Government Efficiency Commission.

Amends IC 20-20.5-8 concerning the Education Roundtable recommendations.

Adds IC 5-13-9-10 to provide two (2) or more political subdivisions located within a county may establish a joint investment fund by entering into a written master agreement that defines the rights and obligations of the participating political subdivisions.

Amends IC 12-15-1-16 concerning the calculation of Medicaid distributions to school corporations.

PUBLIC LAW 226 – HOUSE ENROLLED ACT 1135. EFFECTIVE JULY 1, 2003. INSURANCE. Amends IC 27 concerning accident and sickness insurance policies and limitations regarding substance abuse.

PUBLIC LAW 230 - HOUSE ENROLLED ACT 1219. EFFECTIVE MAY 8, 2003. LATE DISTRIBUTIONS. PROVISIONAL RECONCILING TAX STATEMENTS. TAX ANTICIPATION WARRANTS. Amends IC 6-1.1-27-1 concerning interest on late distributions and requires distributions of tax monies on or before the fifty-first day immediately following each property tax due date, under IC 6-1.1-22-9 and IC 6-1.1-37-10.

Adds section 2 to provide for provisional and reconciling statements to taxpayers on forms prescribed by the Department of Local Government Finance.

Also adds section 4 (a) Notwithstanding IC 20-5-4-8(c) and IC 20-5-4-8(d), the amount of principal of temporary loans maturing under IC 20-5-4-8 on or before December 31, 2005, shall not exceed the lesser of: (1) the highest cash flow deficit (not to exceed the amount permitted by Internal Revenue Service arbitrage regulations) estimated by the governing body of the school corporation for the year ending December 31; or (2) eighty percent (80%) of the total approved budget for the fund for which the loan is made. (b) If the governing board of a school corporation determines that an emergency exists that requires an extension of the prescribed maturity date for a temporary loan referred to in subsection (a), the prescribed maturity date may be extended for not more than six (6) months after the budget year for which the temporary loan is made if the

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governing board does the following: (1) Passes a resolution that contains: (A) a statement determining that an emergency exists; (B) a brief description of the grounds for the determination that an emergency exists; and (C) the date the loan will be repaid that is not more than six (6) months after the budget year for which the temporary loan is made (2) Immediately forwards the resolution to: (A) the state board of accounts; and (B) the department of local government finance. (c) The SECTION expires July 1, 2005.

PUBLIC LAW 234 – HOUSE ENROLLED ACT 1410. EFFECTIVE JULY 1, 2003. WORK RELATED DEATHS AND DISASTERS. Amends IC 22-8-1.1-43.1 concerning employer or recordkeeping requirements and reporting for work related deaths and disasters. Disasters is defined to include hospitalization of three or more persons.

PUBLIC LAW 245 – HOUSE ENROLLED ACT 1714. EFFECTIVE JULY 1, 2003. PROPERTY TAXES. Amends IC 5-13-6-3 to provide in part (c) Every county treasurer shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a part of the distributions received under IC 6-1.1-21-10 from the property tax replacement fund for the political subdivision. The amount advanced may not exceed the lesser of: (1) ninety-five percent (95%) of the amount distributed from the fund to the county treasurer for the political subdivision at the time of the advance; or (2) ninety-five percent (95%) of the total amount to be distributed by the county treasurer to the political subdivision on the next scheduled distribution date.

Also requires a general reassessment to begin July 1, 2007.

PUBLIC LAW 249 – HOUSE ENROLLED ACT 1734. EFFECTIVE JULY 1, 2003. NONPERMANENT TEACHER CONTRACTS. Amends IC 26-1-4-14 concerning conferences on nonrenewal of nonpermanent teacher contracts. Adds item (g) the governing body shall vote on the continuation of the teacher's contract not more than ten (10) days after the conference.

PUBLIC LAW 256 - HOUSE ENROLLED ACT 1814. EFFECTIVE JULY 1, 2003. PROPERTY TAXES. Amends several sections of IC 6-1.1 concerning petitions for judicial reviews of determinations by the Department of Local Government Finance.

Also amends IC 6-1.1-18-6 concerning appropriation transfers to remove the requirement to have the transfers certified to the county auditor.

Also amends IC 6-1.1-19-8 to provide in part (a) A school corporation must file a petition requesting approval from the department of local government finance to incur bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-9.1-6-5 not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may: (1) incur the indebtedness; (2) enter into the lease agreement; or (3) repay the school bus purchase loan.

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PUBLIC LAW 260 – HOUSE ENROLLED ACT 1933. EFFECTIVE JULY 1, 2003. MILITARY LEAVE. Amends IC 10-5 and IC 10-17 concerning the leaves of absence granted to reserve members of the Armed Forces.

PUBLIC LAW 261 – HOUSE ENROLLED ACT 1935. EFFECTIVE MAY 8, 2003 AND JULY 1, 2003. PUBLIC RECORDS. Amends IC 5-14 concerning lists of employees in public records and provisions concerning confidential records and (19) concerning " ... public disclosure of records that would have a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack."

Adds section 17 to provide (c) the state police department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made by a school corporation, special education cooperative, or non-public school (as defined in IC 20-10.1-1-3) as part of a background investigation of an employee or adult volunteer for the school corporation, special education cooperative, or nonpublic school.

PUBLIC LAW 267 - SENATE ENROLLED ACT 166. EFFECTIVE JUNE 1, 2003. DISTRIBUTIONS. Amends IC 6-3.5 concerning calculation and CAGIT, COIT, and CEDIT distributions. Civil taxing units receiving the money shall deposit the money in the civil taxing unit's rainy day fund established under IC 36-1-8-5.1.

Amends IC 36-1-8-5.1 to provide (a) A political subdivision may establish a rainy day fund to receive transfers of unused and unencumbered funds under: (1) section 5 of this chapter; (2) IC 6-3.5-1.1-21.1; (3) IC 6-3.5-6-17.3; and (4) IC 6-3.5-7-17.3.

PUBLIC LAW 272 - SENATE ENROLLED ACT 464. EFFECTIVE JULY 1, 2003. CPF RATES. Contains provisions concerning Capital Projects Fund rates.

PUBLIC LAW 273 – SENATE ENROLLED ACT 494. EFFECTIVE JULY 1, 2003. UNEMPLOYMENT COMPENSATION. Amends IC 22-4 concerning wage credits.

PUBLIC LAW 276 – SENATE ENROLLED ACT 501. EFFECTIVE VARIOUS DATES. CHARTER SCHOOLS. Amends various Indiana Code provisions concerning charter school funding. Provides limits on new charter schools creation. Requires charter schools to apply for federal funding.

Amends IC 20-5.5-6-1, concerning conversion charter school employee responsibility and payment thereof.

Amends IC 6-1.1-19-12 to provide in part (a) Not later than the date on which the department of local government finance certifies a final action under IC 6-1.1-17-16, the department of local government finance shall provide to each county auditor the amount determined under IC 20-5.5-7-3(c)(6) for each charter school attended by a student who has legal settlement in both the county and a school corporation located in the county. (b) This subsection applies beginning with the first distribution of property taxes to a school corporation after December 31, 2003. At the

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same time a county auditor distributes property taxes to a school corporation, the county auditor shall distribute to a charter school the amount described in subsection (a) for the charter school. (c) A distribution of property taxes to a school corporation does not include an amount distributed under subsection (b).

Also amends IC 20-5.5 concerning reporting by charter schools to the Department of Education. Also requires the Department of Education to provide the Department of Local Government Finance with information on charter school students.

Also adds IC 20-5.5-7.5 concerning the charter school advancement account within the common school fund.

Amends IC 20-5.5-8-5 to delete references to IC 20-8-9-3 and IC 20-8-9-5. Also amends IC 20-8.1-1-1 to provide in part for the purposes of IC 20-8.1-9 the term school corporation includes a charter school.